

Session 20



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Session 20

Direct Loan Monthly Reconciliation And Program Year Close Out

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Presenters

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(CAM)-Region 3***

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Center (LOC)***

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(DLOPS)***

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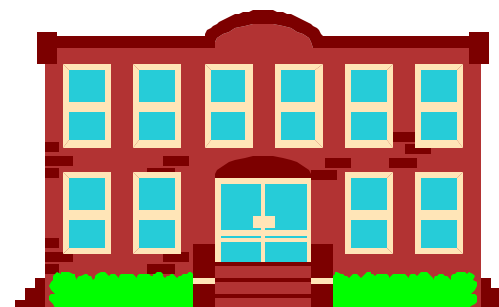
What is Monthly Reconciliation?

The process of identifying differences each month between the Direct Loan School Account Statement (DLSAS) or the 732 report and your school's internal records.



Schools That Perform Monthly Reconciliation

- Saint Paul's College
- Virginia Polytechnic Institute and State University (VA Tech)
- University of Richmond





St. Paul's College

- EDExpress
- 732 Report
- 30 Day Warning Report



St. Paul's College Continued...

- Disbursement Roster
- Anticipated Disbursement Report
- Meeting with the Business office
- Comparing their internal system to
U. S. Department of Education reports



VA Tech

- Banner
- Direct Loan School Account Statement (DLSAS)
- TZRPDFA report in Banner by Fund Code
- Compare DLSAS to Internal Reports
 - break the reports up by weeks and compare cash and loan data



VA Tech continued...

- Update internal spreadsheet with new LOC amounts
- Record any discrepancies
- File the Cash Receipts from LOC and Internal Cash Receipts Reports



University of Richmond

- Banner
- Direct Loan School Account Statement (DLSAS)
- Records (loan origination, change, and disbursement) sent three times a week
- Acknowledgements are loaded immediately



University of Richmond continued...

- Queries run on Banner
- Rejects handled immediately
- 30 Day Warning Report



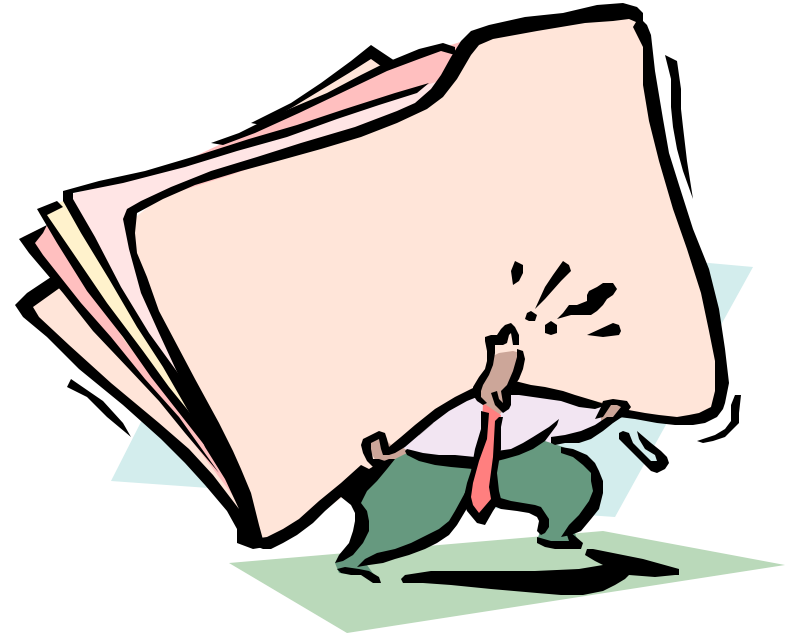
Why Should You Perform Monthly Reconciliation?

- Easier to resolve issues with
 - Cash
 - Loans
- Easier to Close Out Program Year
- In the Regs - Citations: (R)685.102
As Of Date: 12/31/99

Sec. 685.102 Definitions.

Tools You Can Use To Perform Monthly Reconciliation

- DLSAS
- 732
- 30 Warning Report
- LO-Online Website:
<http://lo-online.ed.gov>
- Compare Programs (CAMs' or Your Own)





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Program Year End Reconciliation



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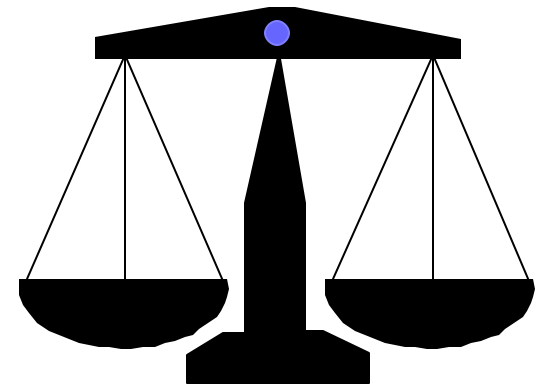


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What is Reconciliation at the Loan Origination Center?

The process of identifying and assisting schools in their monthly reconciliation and annual program year close out efforts through

- Balance verification
- Training
- Site visits



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What is Rapid Reconciliation?

***Applying the same efforts to close out
Program Year 2001-2002***

by

December 31, 2002





Reconciliation Status

1999/2000

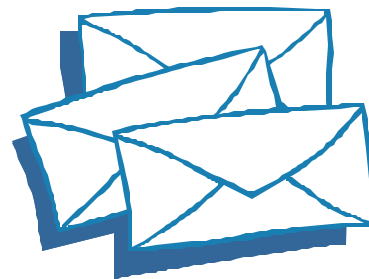
- Balance Verification Process
- Appeal Process
- Program Year Close Out letters
- March 8, 2002 deadline to submit batch information



Reconciliation Status

2000/2001

- Program Year Close Out is July 31, 2002
- Metrics
- Common Procedures
 - Status Letters
 - Site Visits
 - Appeal Letters



Reconciliation Status

2001/2002

- Program Year Closeout is December 31, 2002
- Metrics
- Common Procedures
 - Status Letters
 - Balance Verification
 - Site Visits
 - Appeal Letters





Reconciliation Status

2001/2002 continued

- Schools that use a Borrower Based Academic Year (BBAY) will be allowed to continue to send disbursements records for processing by the LOC for a period of time beyond the December 31, 2002 closing date.
- These schools must remember that they must still follow the normal procedure of:
 - Reporting disbursement to the LOC within 30 days of disbursement and
 - Returning excess cash within three business days of receipt.



Reconciliation Status

2001/2002 continued

- Program Year Closeout Letters mailed to schools as schools confirm zero ending cash balance
- Selectively stop receiving and processing batch data at the LOC
- Outstanding issues will be reviewed by ED for further action.
- Establish repayment agreements through The Office of the Chief Financial Officer (OCFO)



Reconciliation/Rapid Reconciliation and Program Year Close Out

Confirming Close Out

- Schools will confirm they have completed Program Year Close Out
- Processing at LOC will be stopped for that year
- GAPS processing will be stopped for that year
- Close Out letters will be sent
- Schools can choose to stop receiving the 732



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Recap of Available Resources

Training by the CAMS



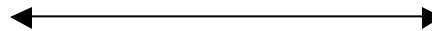
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Available Resources continued

Telephone Consultations

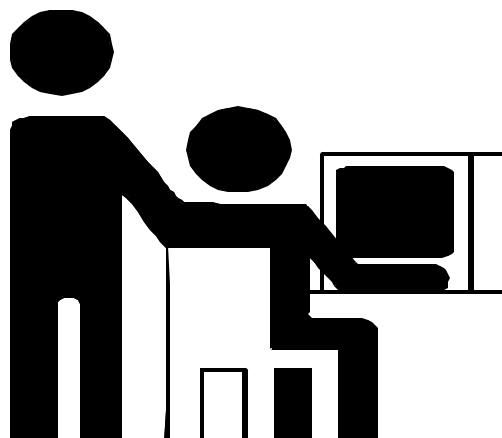


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Available Resources continued

Communication by Email or by Fax





Available Resources continued

- Direct Loan Bulletins
- Status Letters
- Balance Verification Letters
- Confirmation and Appeal Letters



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Available Resources continued

On Site Visits by the CAMS and the LOC



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The Final Process continued..

Schools with Unresolved Positive Balances

- A letter will be sent to the school's president requesting payment of the amount, plus interest. The letter will outline the school's appeal rights.
- If an appeal is filed and the balance still remains unresolved, the matter will be sent to an Administrative Law Judge for resolution.



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The Final Process continued..

1997/98 & 1998/99 Reconciliation Status

- Schools with positive balances have or will receive a letter requesting payment of the ending cash balance plus interest.
- Schools with negative balances are being contacted by the LOC.

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The Final Process continued..

1. Final Program Review Determination (FPRD) Letter

- a) The FPRD is sent to the President of the school
- b) The school has 45 days to appeal the FPRD
- c) SCHOOLS MUST RETURN THEIR APPEALS WITHIN 45 days.
- d) Unresolved issues outlined in the appeals returned within the 45 days will be researched and processed by ED.



The Final Process continued..

Repayment Options

- Pay the amount immediately to the LOC.
- Request a repayment agreement with ED for the payoff the amount.
- Request ED to offset the positive balance by reallocating a confirmed negative balance from another program year.



The Final Process continued..

Volunteer Request for Repayment Plan

- a) Schools can request a repayment plan for any program year
- b) Request is sent by the school to Direct Loan Operations (DLOPS)
- c) School receives a letter from DLOPS with additional instructions.



The Final Process continued..

- d) Request is received by the Department of Education's Chief Financial Office (OCFO)
- e) The final scheduling of repayment is finalized between the school and OCFO.
- f) Interest is assessed by the OCFO.
- g) Schools are billed by OCFO and payments are sent directly to OCFO.



What Happens to your Ending Cash Balance at the LOC?

1. The account balance is flagged as being transferred to OCFO.
2. The LOC will send a letter to the school verifying that an Accounts Receivable has been established with OCFO.
3. The final LOS 732 Report will report that the balance has been transferred to OCFO.
4. This report will be sent out to the school.



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QUESTIONS

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Contact Telephone Numbers

- **Your Customer Service Representative or Reconciliation Accountant at the LOC**
(800) 848-0978 or
loan_origination@mail.eds.com
- **Your regional Client Account Management Staff (see list on following slide)**
- **Direct Loan Operations (202) 377-3137**
(202) 377-3144
(202) 377-3147

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Regional CAM Contact

<u>Region</u>	<u>States</u>	<u>Number</u>
I-Boston	CT, MA, ME, NH, RI, VT	(617) 565-6911
II-New York	NJ, NY, PR, VI	(718) 488-3660
III-Philadelphia	DC, DE, MD, PA, VA, WV	(215) 656-5929
IV-Atlanta	AL, FL, GA, KY, MS, NC, SC, TN	(404) 562-6259
V-Chicago	IL, IN, OH, MI, WI	(312) 886-8766
VI-Dallas	AR, LA, NM, OK, TX	(214) 880-2405
VII-Kansas City	IA, KS, MO, NE	(816) 880-4090
VIII-Denver	CO, MN, MT, ND, SD, UT, WY	(303) 844-3677
IX-San Francisco	AZ, CA, HI, NV	(415) 556-4201
X-Seattle	AK, ID, OR, WA	(206) 615-2637